

Message Text

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PAGE 01 MADRID 10606 142234Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 ABF-01 SS-15 /037 W
-----031286 152105Z /15

R 141245Z SEP 78
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 6126
AMCONSUL FRANKFURT
INFO AMEMBASSY BRUSSELS
AMEMBASSY BONN
AMEMBASSY DUBLIN
AMEMBASSY OSLO
AMEMBASSY STOCKHOLM

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E.O. 11652: N/A
TAGS: ETRD, EMIN, SP
SUBJECT: GAO REVIEW: "ASSESSMENT OF THE INCREASING
RELIANCE OF US MANUFACTURERS ON FOREIGN PROCESSED
MATERIALS"

REF: A) STATE 190945, B) GAO LETTER OF AUGUST 9, 1978,
C) STOCKHOLM 3408

1. THE RECENT ACTION TO REOPEN THE TREASURY COUNTERVAILING
DUTY INVESTIGATION INTO SPANISH ZINC, SHOES, AND BOTTLED
OLIVES, ON WHICH CVD'S WERE REDUCED IN JUNE, COMBINED WITH
A MOUNTING NUMBER OF NEW CVD CASES, HAS GREATLY STRAINED
US-SPANISH TRADE RELATIONS. THESE INVESTIGATIONS HAVE
BEEN CITED BY SOME SPANIARDS AS EVIDENCE TO SUPPORT THEIR
FEELING THAT EVERYTIME A SPANISH EXPORT GAINS A
SHARE OF A U.S. MARKET WE TAKE STEPS AGAINST THAT ITEM.
THUS AN INVESTIGATION OF SPANISH INDUSTRY UNDER A TITLE
WHICH REFERS TO INCREASING RELIANCE ON FOREIGN PROCESSED
MATERIALS COULD LEAD TO A CONCLUSION THAT WE ARE
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PAGE 02 MADRID 10606 142234Z

CONSIDERING FURTHER PROTECTIONIST MEASURES AGAINST SPANISH
EXPORTS.

2. IN ORDER TO AVOID FURTHER STRAINS AT A PARTICULARLY
SENSITIVE MOMENT, WE PROPOSE THE FOLLOWING: THAT THE GAO
TEAM ARRIVE IN SPAIN AS PLANNED TO REVIEW MATERIALS
AVAILABLE IN THE EMBASSY AND TO INTERVIEW APPROPRIATE

EMBASSY OFFICIALS. IF SUCH A REVIEW IS NOT FULLY ADEQUATE TO MEET GAO'S NEEDS WE WOULD EXAMINE THE BEST WAY TO FILL ANY GAPS ON THE SPOT, BY WAY OF AD HOC INTERVIEWS, ARRANGED BY THE EMBASSY, WITH SPANISH OFFICIALS OR INDUSTRY EXECUTIVES. IN THIS WAY WE BELIEVE THE MATERIAL SOUGHT BY GAO WILL BE MADE AVAILABLE WHILE MINIMIZING THE RISK OF MISUNDERSTANDING ON THE SPANISH SIDE.

3. EMBASSY WILL BE IN TOUCH WITH GAO FRANKFURT TO COORDINATE THIS ARRANGEMENT PENDING FURTHER INSTRUCTIONS FROM THE DEPARTMENT. TODMAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
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Concepts: ZINC, GAO AUDITS, BUSINESS FIRMS, INVESTIGATIONS, COUNTERVAILING DUTIES, SHOES, OLIVES
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Decaption Date: 01 jan 1960
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Disposition Approved on Date:
Disposition Case Number: n/a
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TAGS: ETRD, EMIN, SP, US
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